

# **Congressional Budget Submission**

Fiscal Year 2016



ATF

**UNITED STATES DEPARTMENT OF JUSTICE  
BUREAU OF ALCOHOL, TOBACCO, FIREARMS AND EXPLOSIVES**  
February 2015

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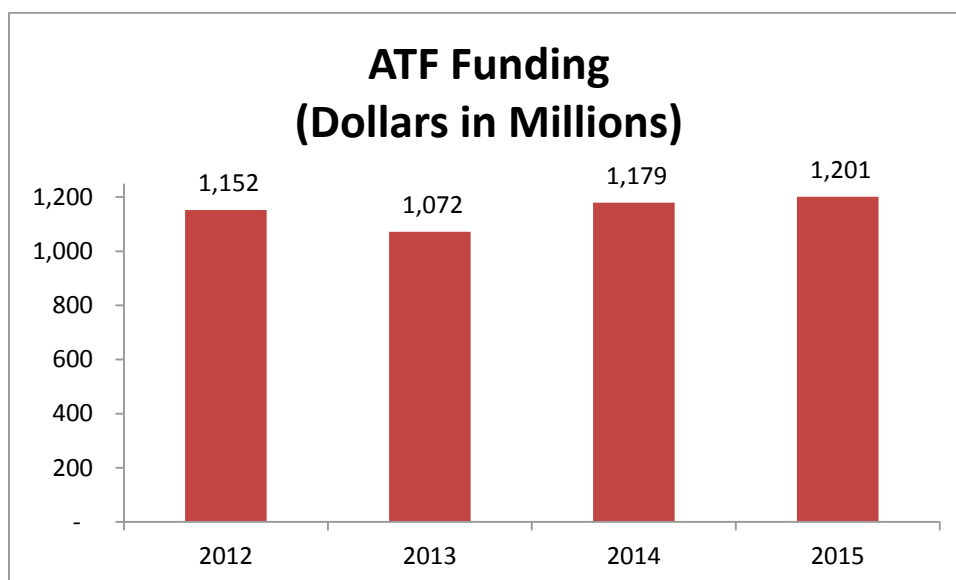
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## **I. Overview for the Bureau of Alcohol, Tobacco, Firearms and Explosives**

### **A. Introduction**

Established as an independent Bureau in 1972, the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) is the Federal agency charged with enforcing the Gun Control Act (GCA) and the National Firearms Act (NFA); the two primary laws enacted by Congress to directly address firearms violence. ATF also enforces the provisions of the Arms Export Control Act addressing the importation of arms, ammunition and implements of war. With respect to explosives, ATF is primarily responsible for administering and enforcing federal explosives laws, including the Safe Explosives Act of 2002 (SEA), which expanded the scope of explosives regulations administered by ATF by placing controls on the intrastate movement of explosives and mandating that all persons who receive explosives undergo a background check and obtain a Federal permit.

ATF's core mission is protecting the public from violent crime associated with firearms, explosives, arson and illicit trafficking in tobacco and alcohol. All ATF's programs are designed first and foremost to impact violent crime. Consequently, ATF's FY 2016 budget request, which totals \$1,261,158,000, is focused on providing its special agents, industry operations investigators, and support professionals the core resources necessary to advance the agency's mission to reduce violent crime. This budget requests supports 5,111 total positions and 5,106 direct full time equivalents (FTE), the minimum staffing level necessary for ATF to meet mission requirements. This request includes a total of \$52,023,000 in adjustments-to-base (ATBs) and \$8,135,000 in program enhancements; these enhancements are designed to increase ATF's investigative and regulatory mission effectiveness and efficiency. Electronic copies of the Department of Justice's Congressional Budget Justifications and Capital Asset Plan and Business Case exhibits can be viewed or downloaded from the Internet using the Internet address: <http://www.justice.gov/02organizations/bpp.htm>.



## **Maintaining Current Services**

The FY 2016 request includes \$52,023,000 in adjustments to base (ATBs) that are necessary for ATF to maintain current service levels. These adjustments build upon base restoration funding contained in the FY 2014 Enacted level budget and the FY 2015 President's Budget. Within the total ATB, \$30.2 million is for ATF to continue supporting the hiring of special agents, industry operations investigators, and other personnel back to its authorized ceiling. This staffing restoration is critical for ATF to address the retirement attrition and recover from the DOJ hiring freeze.

## **Program Improvements**

ATF's requested program enhancement of \$8,135,000 will support operational advancements at ATF's Martinsburg Center in West Virginia. These advancements, which will include both increased staffing and facilities improvements, will increase capacity, efficiency and production of firearms tracing for law enforcement; improve efficiency in the review and processing of applications for firearm and explosives licensing and permits; and expand capacity to process National Firearms Act (NFA) applications. This enhancement supports the Administration priority outlined in the January 16, 2013 Presidential Memorandum "Tracing of Firearms in Connection with Criminal Investigations," and the Attorney General's memorandum of February 25, 2013 on the same subject. The enhancement includes 10 additional positions in the NFA branch to reduce processing delays and backlog and improve NFA application processing performance. The NFA mandates registration and a tax payment for making or transferring - machine guns, silencers, short-barreled rifles, short-barreled shotguns, destructive devices, and certain concealable weapons classified as "any other weapons." Market demand for NFA services continues to escalate annually, primarily due to a continuing trend in the states to revise firearm laws to allow the use of firearm silencers for hunting, which has resulted in a dramatic increase in workload over the past several years and has substantially degraded ATF's ability to meet performance standards.

## **B. Background**

This budget request supports ATF's capacity to actively combat violent crime to:

1. Engage in critical law enforcement operations, which includes investigating and preventing violent crime related to:
  - Firearms trafficking;
  - Criminal possession and use of firearms;
  - Diversion of firearms from legal commerce;
  - Criminal groups and gangs;
  - Explosives, bombs and bombing;
  - Diversion of explosives from legal commerce; and
  - Criminal use of fire.

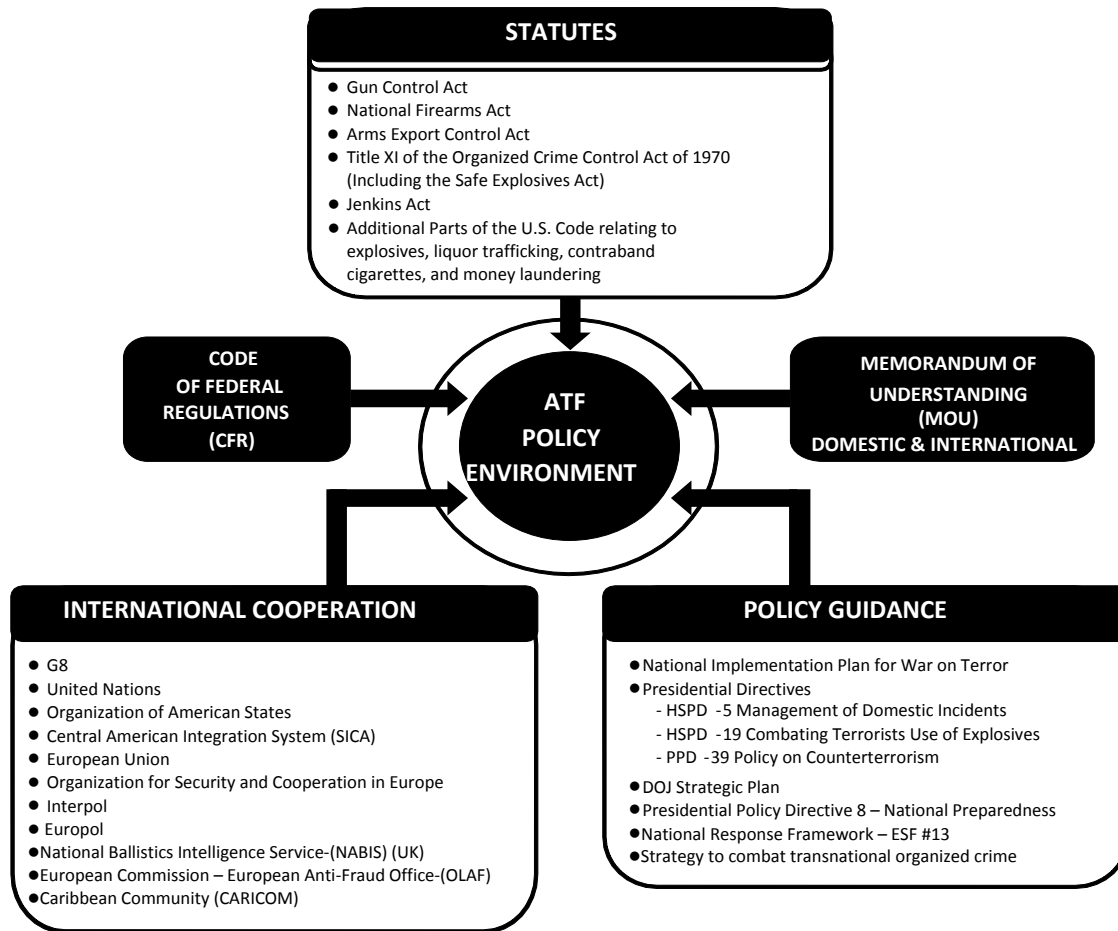
2. Providing vital services to support and improve public safety, which includes, but is not limited to, firearms tracing services and the National Integrated Ballistics Information Network (NIBIN). These unique tools and services highlight ATF's forensic expertise and network of assets which support all aspects of the law enforcement mission of ATF, and the Federal Government, to address public safety issues and managing Emergency Support Function (ESF) #13, Public Safety and Security, under the National Response Framework (NRF).

ATF's continuing effort to improve efficiency in meeting its mission goals is supported by Frontline, a new business methodology that ensures standardization and accountability at every level of the ATF organization. The strategy begins with comprehensive, intelligence-driven assessments in each of ATF's field divisions. These assessments define significant violent crime problems within each field division's area of responsibility and propose a plan of action to mitigate or eliminate these threats. Intelligence and operational experts at all levels support the development of the assessments and evaluate them against ATF's National Strategic Plan. Once evaluated and approved for implementation, the assessments are consolidated to define National priorities and guide division-level and Bureau-wide decisions concerning the deployment of resources to achieve operational goals and objectives. ATF's Frontline business model is consistent with the Attorney General's *Smart on Crime* strategy for prioritizing prosecutions to focus on the most serious cases and protect the most vulnerable populations from violence.

Frontline's enhanced Performance Review process is a structured system in use in every field division that continually measures results against objectives to ensure that strategies and tactics are sound and resources are being applied effectively. It is a comprehensive and sustainable approach that is applied to criminal investigations, public safety services, and industry operations inspections.

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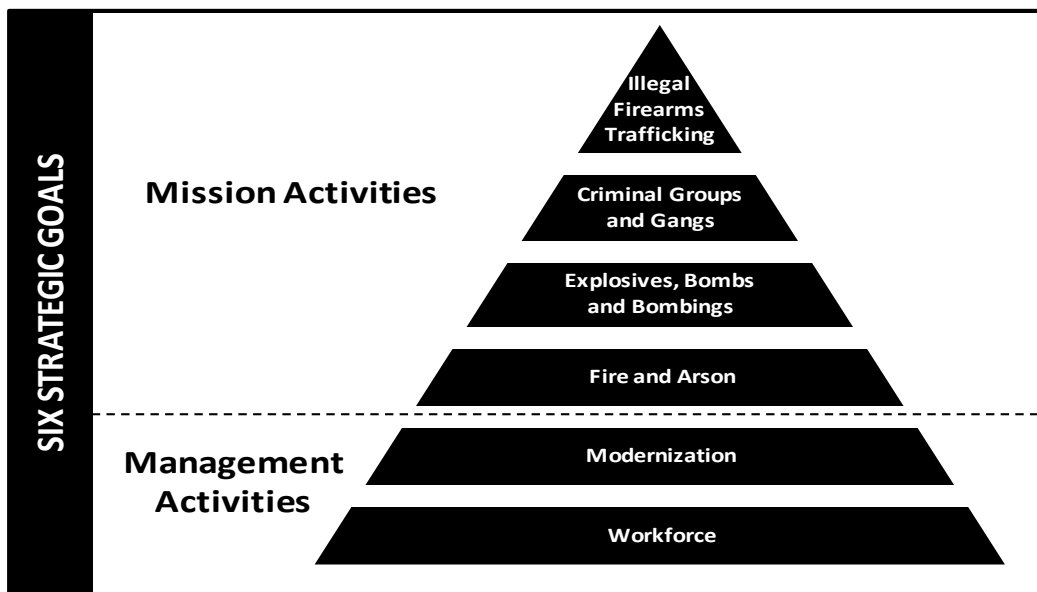
The following diagram describes the Policy and Legislative Environment that directs ATF's Mission and Budget Strategy:



ATF's Strategic Plan for 2010 – 2016 identifies six strategic goals – four of which are mission-related and two of which are management-related. Mission-related strategic goals are further organized into eight core activities that directly align with ATF's violent crime-related law enforcement and regulatory jurisdiction and responsibilities.



## ATF's Strategic Goals:



**Strategic Goal - Illegal Firearms Trafficking:** Reduce violent firearms crimes by strengthening firearms trafficking intelligence gathering, analysis, inspection, and investigative activities.

**Strategic Goal - Criminal Groups and Gangs:** Make our communities safer by expanding our efforts to identify, target, and dismantle those criminal gangs and organizations that utilize firearms, arson, explosives, and alcohol and tobacco diversion in furtherance of violent criminal activity.

**Strategic Goal - Explosives, Bombs, and Bombings:** Advance domestic and international explosives expertise to prevent, detect, and investigate acts of violent crime and terrorism and to enhance public safety.

**Strategic Goal - Fire and Arson:** Advance the science of fire investigation globally, by setting and delivering the highest standards in response, research, information sharing, and training.

**Strategic Goal - Modernization:** Modernize business processes and systems for improved information sharing, knowledge management, and use of innovative technologies to support ATF's critical mission.

**Strategic Goal - Workforce:** Attract, develop, and retain an expert workforce to execute the ATF mission in the emerging business environment.

ATF's 2010-2016 Strategic Plan can be found at the following link: [www.atf.gov/publications/general/strategic-plan/](http://www.atf.gov/publications/general/strategic-plan/).

Additionally, ATF's FY 2016 request supports the following DOJ strategic goals and objectives:

**DOJ Strategic Goal 1, Objective 1:** Prevent Terrorism and Promote the Nation's Security  
Consistent with the Rule of Law: Prevent, disrupt and defeat terrorist operations before they occur by integrating intelligence and law enforcement efforts to achieve a coordinated response to terrorist threats.

**DOJ Strategic Goal 2 Objective 1:** Prevent Crime, Protect the Rights of the American People, and Enforce: Combat the threat, incidence and prevalence of violent crime by leveraging strategic partnerships to investigate, arrest and prosecute violent offenders and illegal firearms traffickers.

### **C. Challenges**

ATF faces several major challenges affecting its ability to meet mission critical goals and objectives. These include, but are not limited to, 1) maintaining productivity in the face of significant increases in workload requirements in both the law enforcement and services elements, 2) the anticipated retirement and attrition of special agents and seasoned staff in the next few years, and, 3) an urgent need to improve the Bureau's ability to provide timely and accurate intelligence data and to expand law enforcement capabilities to combat violent crime including active/mass shooter incidents and threats.

The \$1.26 billion in total S&E resources requested in FY 2016 are vital for ATF to continue addressing these challenges. While ATF's budget has remained relatively flat over the past 10 years, ATF's workload and mission requirements have exponentially increased. For example, as implementation of the Brady Handgun Violence Protection Act has matured over the past decade, a corresponding increase has resulted in FBI enforcement referrals to ATF for further investigation of already completed firearm transfers that appear to involve prohibited persons. In these cases, ATF must redirect agent resources from active cases to determine if the recipient of the firearm is in fact prohibited and, if such a determination is made, ATF must expend additional agent resource to retrieve the illegally possessed firearm. The resource strain of this responsibility will continue to grow as recent expansions to FBI's NICS program are implemented.

**Productivity Challenges:** Tragic mass shootings in public spaces such as movie theaters, shopping malls, government facilities, schools and universities, as well as explosives and bombing incidents at significant public events such as the Boston Marathon have become a preeminent public safety concern, resulting in an increased need for ATF's core law enforcement competencies. Similarly, ATF's regulatory workload has seen dramatic and unprecedented increases due to the expansion and growth of commerce within the firearms industry. ATF has had to make difficult resource decisions and implement reductions to lower-priority infrastructure and programs in order to maintain productivity.

ATF's National Firearms Center provides critical support to law enforcement as well as legal commerce in firearms and explosives in the U.S. The number of firearms and explosives license applications continues to increase substantially, and ATF must shift existing resources and

priorities to ensure their timely processing. Firearms and explosives regulations mandate that ATF process these applications within 60 days and 90 days, respectively, upon receipt. Expanding capacity to process applications is critically needed to address ever increasing demands for firearms and explosives application/licensing services.

Moreover, beyond the resource demands of completing timely and thorough application inspections for new Federal Firearms Licensees (FFLs), these new FFLs also often require more technical assistance and instruction from ATF than established FFLs, placing even greater resource demands on ATF Industry Operations Investigators (IOIs). New FFLs also increase the universe of licensees requiring routine compliance inspections. As a result of the increase in FFLs, ATF has been challenged to conduct basic, scheduled compliance inspections at an appropriate pace. FFL compliance inspections should be conducted every three years; however, in light of resource constraints and the ever expanding FFL population, they are currently being inspected once every seven years. (See also, Department of Justice Office of the Inspector General (OIG) reports, “*Review of ATF’s Federal Firearms Licensee Inspection Program*” and “*Review of ATF’s Explosives Inspection Program*,” released April 2013).<sup>1</sup>

Corresponding to the increase in FFLs, the volume of firearms commerce has also continually increased. Consequently, the number of individual firearms records and transactions that must be reviewed by an IOI during FFL compliance inspections has also significantly increased, leading to lengthier inspection times. In FY 2014, ATF was only able to complete approximately 10,000 FFL compliance inspections, which was a 24 percent decrease from 2011, and represented approximately 7 percent of the total FFL population. The lack of timely inspections presents a significant risk to public safety. ATF’s FY 2014 enacted and requested FY 2015 budget begin to address this challenge by providing funding for ATF to hire additional IOIs. Until ATF has sufficient IOIs onboard to meet the three year inspection schedules, it will continue using risk-based assessments to target future inspections to those entities that have been identified as repeat violators, as well as focus on vulnerable regions.

As noted, another productivity challenge facing ATF is the processing of NFA applications. Between FYs 2008 – 2014, the number of NFA applications ATF received increased from approximately 78,500 to over 200,000. ATF has been unable to meet internal NFA application processing goals due to the shear workload, resulting in processing backlogs. Oftentimes a single NFA application will involve multiple firearms, and each request must be thoroughly researched against federal and state laws prior to approval. Backlogs will continue to mount without additional staffing for this function. Ten federal staff is included in ATF’s FY 2016 Budget submission to address this challenge.

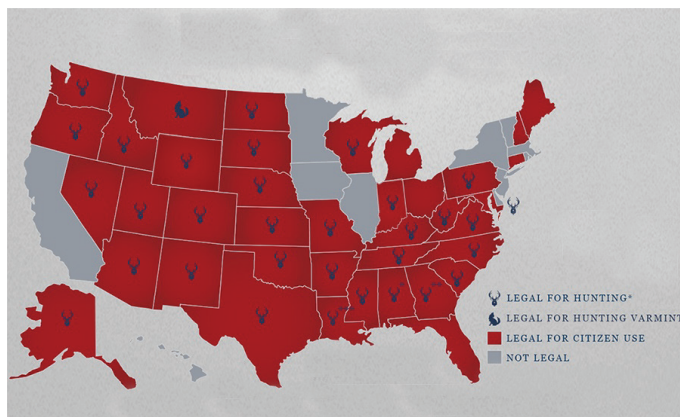
In addition to applications for weapons, market demand for NFA services continues to set annual records, which has resulted in a dramatic increase in workload over the past several years. In FY 2014, ATF received 221,261 NFA registration applications. The number of NFA registration applications has increased by over 60 percent since FY 2011 and had more than doubled since

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<sup>1</sup> In these reports the OIG highlighted the challenges facing ATF in conducting FFL and FEL inspections, and made recommendations to enhance the efficiency of the inspection process.

FY 2007. As depicted in the map shown below, most of this increase can be attributed to changes in several state laws that allow for the use of gun silencers for hunting purposes. The increase in overall firearms commerce continues to significantly increase ATF's workload and impact ATF's ability to meet internal and external performance targets.

### What's Causing the Sustained Increase in NFA Volume



- As depicted above, the legalization of silencers in 39 states, 32 of which allow use of a silencer for hunting.
- 80% of tax paid transfers of NFA firearms are associated with silencers which are relatively inexpensive.
- In addition, states are relaxing laws on the possession of short barreled rifles and shotguns which also fall under the purview of the NFA.
- Increasing popularity of exempt entity applications which do not require photographs, fingerprint cards, or background checks of the applicant, provide for easy submission as long as the requested weapon is allowed under state law.

Bureau of Alcohol, Tobacco, Firearms and Explosives

**Staffing Challenges:** ATF is challenged by the fact that a large portion of its special agent workforce is approaching retirement. As provided by 5 U.S.C. §§ 8335 and 8425, retirement for Federal law enforcement agents is mandatory at the age of 57. In the next 5 years, over 1,000 current ATF special agents are anticipated to retire, which is nearly one-half the entire current special agent workforce. They encumber the majority of ATF's management positions and are on highly-skilled units such as the National Response Team (NRT) and Special Response Team (SRT), and they are Certified Fire Investigators (CFIs) and Certified Explosives Specialists (CESs). Most importantly, they are the senior special agents who conduct criminal investigations nationally and train new special agents. Their experience and capabilities are invaluable to the development of the next generation of ATF special agents, as it typically takes a minimum of 3-5 years of close mentoring and on-the-job training for a new special agent to acquire the skills necessary to achieve full productivity levels. ATF must continue to strategically address this issue now and allow new special agents to benefit from the existing experience base.

### **Intelligence Based Law Enforcement Challenges**

As noted, ATF supports the Attorney General's *Smart on Crime* initiative, and is a crucial component of that initiative. The guidance places emphasis on prioritizing prosecutions by focusing on the most critical cases rather than the sheer number of cases.

ATF leverages comprehensive collection and analysis of intelligence to identify the unique violent crime environment within a region, developing strategies to address the drivers of violent crime activity, and prioritizing resources for inspection, investigation and enforcement activities to address the violent crime problems within those regions or jurisdictions. In this regard, ATF is continuously working towards meeting the challenges of improving intelligence-based law enforcement capabilities – working smarter to address these emerging issues. Another challenge for ATF is the emerging threat of trafficking of firearms and explosives via the internet. ATF must meet the challenge of seeking out not only the worst of the worst criminals, but also the disenfranchised who seek to commit random acts of violence. Using evidence-based criteria to identify individuals and groups that have an elevated risk for committing violence, enhancements in this budget request will increase ATF's capabilities to protect Americans from violent crime across the country.

### **Case Management Challenges**

The present National Field Office Case Information System (NFOCIS) is comprised of two case management applications known as N-Force and N-Spect, which are used to collect, process and report information resulting from criminal investigations, regulatory requirements, and law enforcement intelligence gathering efforts. The NFOCIS system is over 15 years old and is well past its end of life expectancy. ATF's inability to replace this system has been identified as an operational vulnerability in OIG, GAO, and other reports. Therefore the current system must be replaced to address these vulnerabilities and better meet the future needs of ATF.

The Next Generation Case Management System (NGCMS) will allow ATF to effectively carry out its regulatory and law enforcement missions and provide real-time case information and intelligence for the field divisions and other law enforcement partners. Improved case management capabilities are needed to fully access, share, and exploit the information and intelligence contained in our disparate case management systems, firearms and explosives regulatory databases, and law enforcement databases. The NGCMS will be built around the requirements that resulted from the Business Process Re-Engineering effort.

### **D. Environmental Management**

ATF has fully implemented Environmental Management Systems at its four laboratories, including the environmentally friendly Fire Research Laboratory (FRL). The FRL reuses 75 percent of the water utilized for fire suppression and controls the release of test fire emissions into the outside environment by using a wet electrostatic precipitator, virtually eliminating the exhaust contaminants. Additionally, ATF has reviewed its acquisition policy and procedures to ensure compliance with the Department's Green Purchasing Program. Green purchasing training has been conducted for all Contracting Officers and Purchase Card Holders. ATF is developing policy and procedures to address compliance with Executive Order 13423, as it relates to Toxic

and Hazardous Chemical reduction, Sustainable Buildings, Energy Management, Transportation, Recycling, Water Management, Environmental Management Systems and Electronic Stewardship. More information on Federal Environmental Requirements and DOJ's Environmental Programs can be found at [www.usdoj.gov/jmd/ep](http://www.usdoj.gov/jmd/ep).

## II. Summary of Program Changes

Item Name	Description				
		Pos.	FTE	Dollars (\$000)	Page
<b>Address Deficiencies in Investigative Support Services/ATF Martinsburg, WV Center</b>	This initiative will increase capacity, efficiency and production of firearms tracing, National Firearms Act (NFA) application processing and services, and firearms and explosives licensing services through enhancements to the ATF facility in Martinsburg, WV. The requested resources will reduce processing times for trace requests and improve performance for various licensing functions, including imports and NFA applications.	10	5	8,135	38

## III. Appropriations Language and Analysis of Appropriations Language

### Appropriations Language

#### Bureau of Alcohol, Tobacco, Firearms and Explosives Salaries and Expenses

For necessary expenses of the Bureau of Alcohol, Tobacco, Firearms and Explosives, for training of State and local law enforcement agencies with or without reimbursement, including training in connection with the training and acquisition of canines for explosives and fire accelerants detection; and for provision of laboratory assistance to State and local law enforcement agencies, with or without reimbursement, [\$1,201,000,000] \$1,261,158,000 of which not to exceed \$36,000 shall be for official reception and representation expenses, not to exceed \$1,000,000 shall be available for the payment of attorneys' fees as provided by section 924(d)(2) of title 18, United States Code, and not to exceed \$20,000,000 shall remain available until expended: *Provided, That, hereafter, the first and fifth provisos under this heading in division B of Public Law 113-6 shall not apply to any funds appropriated in this or any other Act, including funds appropriated in previous appropriations acts that remain available for obligation: Provided further,* That none of the funds appropriated herein shall be available to investigate or act upon applications for relief from Federal firearms disabilities under section 925(c) of title 18, United States Code: *Provided further,* That such funds shall be available to investigate and act upon applications filed by corporations for relief from Federal firearms disabilities under section 925(c) of title 18, United States Code: *Provided further,* That no funds made available by this or any other Act may be used to transfer the functions, missions, or activities of the Bureau of Alcohol, Tobacco, Firearms and Explosives to other agencies or Departments.

(FY 2015 Consolidated Appropriations Act)

## **Analysis of Appropriations Language**

Proviso on curios and relics (first proviso in Public Law 113-6). The budget proposes to reverse language prohibiting ATF from implementing any amendment or amendments to 27 CFR 478.118 or to change the definition of “Curios or relics” or remove any item from ATF Publication 5300.11 as it existed on January 1, 1994. This restriction limits ATF regulatory ability on some imported firearms, as under the Gun Control Act, firearms classified as curios or relics are subject to fewer restrictions on transfer and sale.

Proviso on physical inventory (fifth proviso in Public Law 113-6). The budget proposes to reverse language prohibiting ATF from initiating notice and comment rulemaking to explore whether and how federal firearms licensees (FFLs) might be required to account for their firearms inventory, as the absence of such accountability undermines ATF’s ability to investigate lost or stolen weapons in a timely manner.

### **General Provision, Section 206 (Related to ATF)**

SEC. 206. [The Attorney General is authorized to extend through September 30, 2015, the Personnel Management Demonstration Project transferred to the Attorney General pursuant to section 1115 of the Homeland Security Act of 2002 (Public Law 107–296; 28 U.S.C. 599B) without limitation on the number of employees or the positions covered.] Hereafter, funds appropriated by this or any other Act under the heading “Bureau of Alcohol, Tobacco, Firearms and Explosives, Salaries and Expenses” shall be available for retention pay for any employee who would otherwise be subject to a reduction in pay upon the termination of the Bureau's Personnel Management Demonstration Project (as transferred to the Attorney General by section 1115 of the Homeland Security Act of 2002, Public Law 107-296 (28 U.S.C. 599B)). Such retention pay shall comply with section 5363 of title 5, United States Code, and related Office of Personnel Management regulations, except as provided in this section. Such retention pay shall be paid at the employee's rate of pay immediately prior to the termination of the demonstration project and shall not be subject to the limitation set forth in section 5304(g)(1) of title 5, United States Code, and related regulations. The rate of pay of any employee receiving retention pay pursuant to this provision shall be increased at the time of any increase in the maximum rate of basic pay payable for the grade of the employee's position by 50 percent of the dollar amount of each such increase, except that an employee's retained rate of basic pay shall not be so increased if both (a) the employee's retained rate of basic pay immediately prior to the time of such increase exceeds the limitation set forth in section 5304(g)(1) of title 5, United States Code, and related regulations, and (b) the employee's increased rate of pay would exceed the maximum rate of basic pay payable for the employee's position.

## **Analysis of Appropriations Language**

The budget proposes new appropriations language that would replace the general provision extending the Personnel Management Demonstration Project (PMDP). ATF completed an assessment of the operation and efficacy of the PMDP and concluded that it was no longer a



necessary component of their workforce planning and management strategy. Accordingly, ATF would like to terminate the PMDP. ATF has already transitioned nearly all employees who were in the PMDP into the General Schedule (GS) pay system. However, ATF currently has 9 employees in the PMDP whose rate of basic pay exceeds the maximum allowable under 5 CFR §536.306 for GS employees in a retained pay status, meaning their pay is above the GS-15 Step 10 level. The proposed provision will exempt these employees from the provisions of 5 CFR §536.306 so that their transition to the GS pay system does not result in a reduction to their base pay. Once the conversion of the 9 remaining PMDP employees to the GS pay system is completed, ATF will no longer require the authorization to operate the PMDP.

#### **IV. Decision Unit Justification**

##### **A. Law Enforcement Operations**

<b>LAW ENFORCEMENT OPERATIONS</b>	<b>Perm. Pos.</b>	<b>FTE</b>	<b>Amount</b>
2014 Enacted	4,411	4,088	1,019,481
2014 Enacted w/Rescissions	4,411	4,088	1,019,481
2015 Enacted	4,305	4,118	1,013,524
Adjustments to Base and Technical Adjustments	0	187	50,767
2016 Current Services	4,305	4,305	1,064,291
2016 Program Increases	0	0	0
2016 Program Decreases	0	0	0
2016 Request	4,305	4,305	1,064,291
<b>Total Change 2015-2016</b>	<b>0</b>	<b>187</b>	<b>50,767</b>

##### **1. Program Description - Investigating and Preventing Violent Crime**

According to the Uniform Crime Reports (UCRs) for 2012, there were 122,974 reported robberies with a firearm, 142,568 Aggravated Assaults with a firearm, and 8,855 reported homicides with a firearm. Eighty-five people were murdered with fire and eight with explosives. Information collected regarding the type of weapon showed that firearms were used in 69.4 percent of the Nation's murders, 41.0 percent of robberies, and 21.8 percent of the aggravated assaults. Additionally, incidents involving mass shootings in our schools, shopping malls, and other public places remain a significant threat to public safety.

Protecting Americans from violent crime is a top priority goal for the Department of Justice. ATF's specific mission as a component of the Department is to reduce violent crime involving firearms, explosives and arson. To accomplish this unique and important mission, ATF's programs and initiatives focus on the investigation and prevention of violent crime. Through its Frontline business model, ATF develops comprehensive domain Assessments for each Field Division; these assessments allow ATF to prioritize enforcement efforts on a local, regional and national level,

Each field Special Agent in Charge (SAC) plans his/her field divisions investigative and industry operations activities based on a violent crime assessment. These field

commander assessments use data and intelligence to identify violent crime threats within a division's area of responsibility. This information includes emerging criminal trends, significant criminal activity, issues faced by local industry members, and the proximity and priorities of Federal, State, local and other external partners. It also assesses available ATF resources, as well as, unique data and intelligence developed from ATF's case management system, ATF's National Tracing Center, the National Integrated Ballistic Information Network (NIBIN), the Bomb and Arson Tracking System (BATS), and other intelligence and crime-related data available through Federal, State and local partners. All of this information is used to identify where and how they can maximize ATF's jurisdiction, authorities and expertise to have a decisive impact in their areas of responsibility. This methodology is also applied to ATF industry operations activities. The annual planned inspection schedule is based on National priorities derived from ATF's Strategic Plan, statutory requirements, and field division-level priorities identified in the assessments. As such, these efforts are intelligence-driven and risk-based to ensure resources are applied how, and where, they have the greatest ability to reduce crime and safeguard the public.

**Investigative/Inspection Accountability.** ATF establishes and reinforces accountability at all levels by giving a SAC the necessary tools to prioritize and address the specific violent crime threats in their areas, whether they are violent repeat offenders, gangs or criminal organizations. The determination to open an investigation/inspection is based upon standardized justification statements articulating that the activity is in line with ATF's priorities as identified in the assessments. Case agents and supervisors conduct continuous reviews throughout the life of an investigation to evaluate anticipated outcomes and impacts when weighted against risk and resource utilization.

**Measurement.** The ATF Performance Review process is a multi-level mechanism used to evaluate actual performance against division-level violent crime assessments and ATF's Strategic Management Performance Index. Throughout the course of investigations and inspections, first level supervisors monitor progress and performance to ensure resources are being applied effectively and efficiently. At the conclusion of each investigation and inspection, case agents and investigators develop impact statements that include a self-assessment of the goals that were established and review them with their supervisor. Additionally, staff at all levels engage in periodic Performance Review sessions with their peer supervisors, assistant special agents in charge (ASACs) and SACs, who then collaborate to evaluate field-wide performance and provide feedback to the field.

### **Core Activities**

Core activities in Law Enforcement Operations that constitute the ATF mission include, but are not limited to, Illegal Firearms Trafficking Firearms Criminal Use and Possession, Diversion of Firearms from Legal Commerce – Safeguarding the Legal Firearms Industry Through Risk-Based Regulation, Criminal Groups and Gangs, Criminal Use of Explosives, Diversion of Explosives from Legal Commerce – Safeguarding the

## Explosives Industry Through Regulation and Safe Storage of Materials, and Criminal Use of Fire.

### **a. Illegal Firearms Trafficking**

Illegally trafficked firearms are harmful to communities and have a negative impact on interstate and international commerce. Illegal firearms are the “tools of the trade” that drug traffickers, gang members, and other violent criminals use to commit violent crimes against each other as well as against law enforcement officials and innocent civilians.

The goal of ATF’s illegal firearms trafficking enforcement efforts is to reduce violent crime by stemming the flow of firearms to violent criminals. ATF identifies, investigates, and arrests individuals and organizations that illegally supply firearms to prohibited individuals. Furthermore, ATF deters the diversion of firearms from lawful commerce into the illegal market with enforcement strategies and technology.

Internationally, ATF works with other agencies to prevent firearms from reaching the hands of drug traffickers, organized crime members, and terrorist organizations. ATF enforces provisions of the Arms Export Control Act (AECA), has primary jurisdiction over firearms and ammunition imports, and has shared jurisdiction over firearms exports with the Department of Homeland Security (DHS) and the Department of State’s (DOS) Office of Munitions Control.

ATF’s firearms trafficking strategy complements the continued focus on intelligence and the deployment of resources to specific localities where there is a high incidence of gun violence. This comprehensive approach traces the movement of firearms from legal to illegal commerce, from source areas (where firearms are acquired for transport to black markets) to market areas (where firearms are illegally sold), and from trafficker to triggerman. ATF special agents, IOIs, and Federal prosecutors work together in a source area to impact violent crime and gang violence, often thousands of miles away from the respective market area.

### **b. Firearms Criminal Use and Possession**

The law enforcement community has long recognized the clear link between the availability of criminally possessed firearms and violent crime. Firearm violence associated with drug trafficking and violent crime threaten citizens’ safety and livelihoods while eroding the quality of life in American cities. ATF employs a threat matrix to identify patterns of firearm violence, and deploys its resources to efficiently disrupt and prevent future firearm violence.

**c. Diversion of Firearms from Legal Commerce – Safeguarding the Legal Firearms Industry Through Risked-Based Regulation**

Illegal firearms threaten, not only public safety, but the entire firearms industry and the revenue legal commerce generates.

ATF regulates the firearms industry from the point of manufacture and/or importation through retail sale to ensure that FFLs comply with all applicable laws and regulations. ATF provides appropriate safeguards of inventories from theft, full accountability, and proactive inspection reporting. In addition, the outreach that ATF conducts with the industry educates and encourages voluntary controls and cooperation with law enforcement officials.

As part of its regulatory role, ATF is responsible for determining FFL applicants' eligibility to engage in a firearms business and educate licensees on their legal responsibilities. Approved FFLs are required to maintain records of their acquisition and disposition of firearms. ATF has the authority to request information from these records to assist with criminal investigations.

Proper and timely recordkeeping by FFLs is critical to the success of a crime gun trace and is required for all firearms transactions by licensees. This is a critical nexus unique in law enforcement between industry and tracing that ATF applies to violent criminal activity. Failing to account for firearms is a serious public safety concern because unaccounted firearms cannot be completely traced to the retail purchaser. ATF's FFL inspection program uses firearms trace information on recovered firearms to detect indicators of illegal firearms trafficking. This process provides leads for inspections of specific dealers.

Through this regulatory framework, ATF tracks each firearm recovered in a crime from its point of manufacture or importation through the chain of distribution to the point of first retail sale, a process known as "tracing." By tracing all crime gun recoveries submitted to ATF, investigators are able to discern patterns of persons purchasing firearms, locations of purchase, and weapon types. These patterns provide invaluable leads in identifying persons who divert firearms into illegal commerce. By identifying and targeting these persons, ATF stems the flow of illegal guns and makes it difficult for convicted felons, drug traffickers, or gang members to obtain firearms for use in violent crimes. Moreover, by connecting a firearm to a gun trafficker, ATF is able to link firearms sold by that trafficker to those who use firearms in violent crimes.

In FY 2014, ATF completed approximately 10,000 FFL compliance inspections. The number of FFL compliance inspections has decreased by 24 percent since FY 2011 due to challenges in keeping pace with the firearms industry growing at an unprecedented rate. There are currently approximately 140,000 FFLs in the United States, and due to market demands it is expected more will continue to enter the

industry in the future. The FY 2016 request provides funding to continue addressing this challenge.

Additionally, ATF regulates the importation of firearms into the United States, registers importers of firearms, ammunition, firearms parts, and other defense articles pursuant to the import provisions of the AECA. ATF also provides technical advice to the public regarding import requirements applicable to firearms or ammunition.

#### **d. Criminal Groups and Gangs**

Criminal groups and gangs threaten all communities across the United States. Gangs remain key distributors of narcotics and are sophisticated and flagrant in their use of firearms for violence and intimidation. According to the 2013 National Gang Report (NGR), gang membership and gang-related crime continues to rise. “The 2013 NGR highlights current and emergent trends of violent criminal gangs in the United States. Consistent with the 2011 report, the 2013 installment illustrates that gangs continue to commit violent and surreptitious crimes – both on the street and in prison – that pose a significant threat to public safety in most US jurisdictions across the nation.”

ATF focuses its extensive and distinct investigative resources on urban areas experiencing the most violent crime. As Attorney General recently emphasized, “By targeting the most serious offenses, prosecuting the most dangerous criminals, directing assistance to crime ‘hot spots,’ and pursuing new ways to promote public safety, deterrence, efficiency, and fairness – we can become both smarter *and* tougher on crime.” The agency has developed strategies to address violent crime spikes and takes the lead role in operations that weaken and dismantle armed violent criminal organizations in. ATF has conducted several successful enhanced enforcement initiative operations, which have yielded positive results in cities such as Philadelphia (PA), New Orleans (LA), Oakland (CA), Stockton (CA) and Flint (MI).

In addition, each of ATF’s 25 field divisions operates a Violent Crime Reduction Partnership (VCRP), which involve collaborations between ATF and its Federal, State and local partners, as well as the U.S. Attorneys. The VCRP plays a vital role in combating violent gun crime. It allows law enforcement agencies to operate together with unity of effort, stemming the flow of crime guns and investigating and prosecuting the people, groups and gangs who use them to commit violent crimes. Through the VCRP, law enforcement leaders coordinate law enforcement missions, strategies, tactics and intelligence to effectively prioritize and maximize impact on violent crime.

#### **e. Criminal Use of Explosives**

Criminal bombings and the illegal use of explosives are violent acts that threaten our neighborhoods and communities, as well as our national security at home and abroad.

ATF has aligned its mission, resources, and expertise with the National Strategy to Counter Improvised Explosives Devices (IEDs). Additionally, ATF is a founding partner in the National Explosives Task Force (NETF). The mission of the NETF is to support the provision of explosives expertise to investigations and ensure coordination of a government effort to deter, prevent, detect, protect against, and respond to the threat posed by terrorist or criminally inspired attacks using explosives in the United States or against U.S. interests abroad.

ATF is the only agency with the responsibility and authority to inspect the storage of explosives by Federal explosives licensees and to track thefts, losses, and recoveries of explosives. ATF's mission extends to ensuring only qualified and legitimate applicants enter the explosives industry and that licensees keep proper records and use sound business practices to help prevent theft, explosives incidents, or the diversion of explosives to criminal or terrorist purposes.

ATF's criminal enforcement mission, combined with ATF's regulatory responsibility, gives ATF a comprehensive perspective on activity involving explosives in this country. This perspective allows ATF to impact public safety through the identification and correction of explosives storage violations that, unchecked, could pose significant risk to the public.

#### **f. Diversion of Explosives from Legal Commerce – Safeguarding the Explosives Industry Through Regulation and Safe Storage of Materials**

Explosives or explosives materials diverted from legal commerce into the hands of criminal groups and gangs or terrorist organizations constitute a tangible threat to legal commerce and public safety. ATF's criminal and regulatory programs enforce Federal explosives law and prevent criminals and terrorists from obtaining explosives for use in bombings.

On a three-year cycle, as required by the Safe Explosives Act (SEA), ATF's IOIs conduct compliance inspections of approximately 11,000 explosives licensees and permittees nationwide to detect, investigate and prevent diversion, and promote the safe and secure storage of explosives. The Federal Explosives Licensing Center (FELC) screens license and permit applicants, in conjunction with the FBI, to ensure applicants' eligibility to lawfully receive and use explosives. It further screens employees of such licensees and permittees to ensure prohibited persons do not have access to explosives.

#### **g. Criminal Use of Fire**

Loss of lives and property due to arson remains a significant threat to our communities, businesses, and the American people. ATF special agents investigate potential acts of arson motivated by profit, ideology or other criminal intent. They also train Federal, State, local, and international law enforcement agencies on how to investigate and solve such crimes. ATF is recognized for its expertise in fire

investigations, in conducting research to help investigators reconstruct fire and explosives incidents, and in conducting financial investigations to identify illegal arson-for-profit schemes.

ATF has primary federal jurisdiction over the investigation of arson crimes, and is uniquely equipped for this mission with specialized capabilities, expertise, and experience. The vast majority of fires are investigated at the local level and ATF is only called in to provide its specialized skills when needed by State and local authorities. In many cases, the unique knowledge, technical resources, forensic capabilities, and jurisdictional authority of the Federal Government are essential in solving arson related crimes and to remove arsonists from a community. ATF's combination of Certified Fire Investigators (CFIs), accelerant detection canines, NRT, forensic auditors, and the Fire Research Laboratory (FRL) provide a basis for investigating arson crimes.

## B. Investigative Support Services

<b>INVESTIGATIVE SUPPORT SERVICES</b>	<b>Perm. Pos.</b>	<b>FTE</b>	<b>Amount</b>
2014 Enacted	690	640	159,519
2014 Enacted w/Rescissions	690	640	159,519
2015 Enacted	796	762	187,476
Adjustments to Base and Technical Adjustments	0	34	1,256
2016 Current Services	796	796	188,732
2016 Program Increases	10	5	8,135
2016 Program Decreases	0	0	0
2016 Request	806	801	196,867
<b>Total Change 2015-2016</b>	<b>10</b>	<b>39</b>	<b>9,391</b>

### 1. Program Description – Delivery of ATF’s Forensic Expertise, Assets and Intelligence Services to Improve Public Safety

ATF continues to leverage, build, and rely on its partnerships with all law enforcement entities – federal, state, local and tribal law enforcement, public safety agencies, communities, and industries to prevent terrorism and abate violent crime. ATF allies with these entities to safeguard the public through information and intelligence sharing, training, research, the use of technology, and by its lead role in the coordination of Emergency Support Function #13 (ESF #13).

Resources and activities that support ATF’s law enforcement operations comprise the Investigative Support Services Decision Unit. Core activities include, but are not limited to: Firearms and Explosives Licensing and Other firearms Industry Services, Firearms Tracing, the National Integrated Ballistic Information Network (NIBIN), the National Center for Explosives Training and Research (NCETR), the US Bomb Data Center (USBDC), the Terrorist Explosives Device Analytical Center (TEDAC) ATF Laboratories, Financial Investigations, Collaboration and Partnerships, and ESF #13.

NIBIN facilitates the sharing of crime gun evidence across federal, state, local, tribal and international law enforcement agencies. The National Tracing Center (NTC), the federal center primarily responsible for tracing firearms recovered in the use of a crime. As part of its public safety mission, ATF issues licenses to individuals and businesses through the Federal Firearms Licensing Center (FFLC) and the Federal Explosives Licensing Center (FELC) supporting legal commerce of these regulated commodities. Information sharing activities include working with the Terrorist Explosives Device Analytical Center (TEDAC), the U.S. Bomb Data Center (USBDC), and the National Center for Explosives Training and Research (NCETR). ATF is devoted to increasing U.S. capabilities at the federal, state and local level in detecting, deterring and responding to bombings and explosives incidents, which have a major impact on public safety. ATF’s canine training program produces reliable, mobile and accurate explosives and accelerant detection canines that assist law enforcement, fire investigators and military personnel around the world.



#### **a. Firearms and Explosives Licensing and Other Industry Services**

ATF issues licenses to legitimate firearms and explosives manufacturers, importers, and dealers. Under current regulations, ATF is required to act upon firearms license applications within 60 days and explosives license application within 90 days of receipt. Meeting these mandates within existing resources has been difficult, as ATF thoroughly investigates license applicants for federal prohibitions, such as felony convictions, illicit drug use, illegal alien status, mental illness, or minimum age requirement. In addition, the National Firearms Act (NFA) legislatively mandates registration and tax payment for making or transferring machine guns, silencers, short-barreled rifles, short-barreled shotguns, destructive devices, and certain concealable weapons classified as “any other weapons.” The NFA mandates that individuals, firearms manufacturers, and importers register the NFA firearms that they make, manufacture, or import, and that all NFA firearms transfers are approved by ATF in advance.

As noted in the challenges section, ATF’s regulatory and support functions have seen dramatic and unprecedented increases due to expansion and growth of commerce within the firearms industry and is challenged to keep pace with the firearms industry that is growing at an unparalleled rate. This growth is evidenced by significant workload increases experienced by the NFA Branch and the Licensing Centers in large part due to changes in many State laws that are impacted by the NFA mandates. ATF has been actively addressing the State legislative reality that between FY 2008 – 2014, the number of NFA applications ATF received increased from approximately 78,500 to over 200,000. ATF is being affected and limited by outside legislative mandates. While ATF has internal NFA application processing timelines and goals, we are still unable to meet performance targets due to the shear workload. Oftentimes a single NFA application will involve multiple firearms, and each request must be thoroughly researched against federal and state laws prior to approval, which is time consuming. Backlogs will continue to mount without additional resources to address capacity for this function. Since FY 2011, NFA Application receipts have consistently exceeded what could be physically processed. During this same period, ATF has experienced a 30 percent increase in applications each year.

#### ***What is Causing the Sustained Increase in NFA Volume?***

As depicted in the earlier chart in the challenges section the legalization of silencers in 39 states, 32 of which allow use of a silencer for hunting is having a definable impact on ATF’s work pace. Since FY 2009, 245,869 of 318,643 (77 percent) tax paid transfers of NFA firearms are associated with silencers which are relatively inexpensive. In addition, states are relaxing laws on the possession of short barreled rifles and shotguns, which also fall under the purview of the NFA.

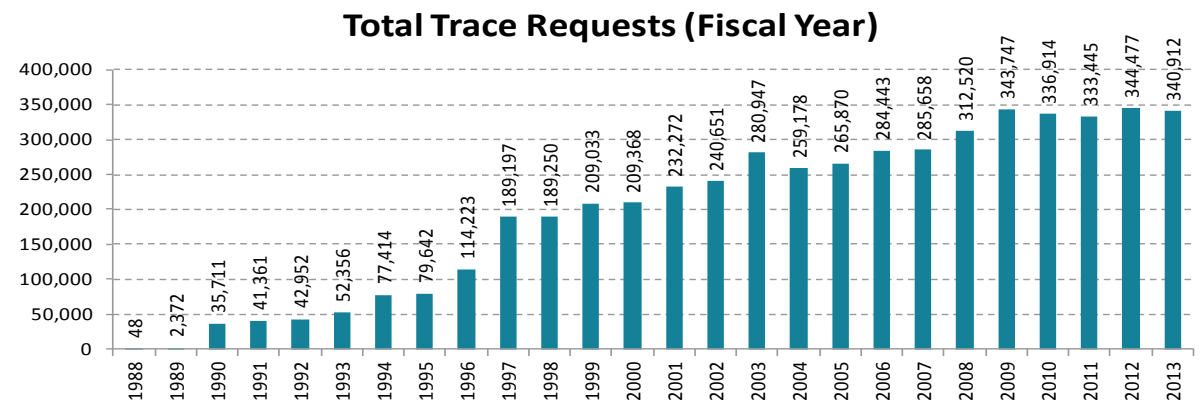
ATF also regulates the importation of firearms, ammunition, and other defense articles by issuing import permits in addition to the importation and possession of firearms and ammunition by non-immigrant aliens. ATF maintains close liaison with the Department of State (DOS), Department of Defense (DOD), and U.S. Customs and Border Protection

to ensure that the permits issued do not conflict with the foreign policy and national security interests of the U.S.

The Attorney General has delegated to ATF the authority to administer the permanent importation provisions of the Arm Export Control Act (AECA). Under the AECA, ATF regulates the permanent importation of firearms, ammunition, and other defense articles into the U.S. ATF processes applications to import items from domestic businesses, members of the U.S. military returning from abroad with personal firearms, non-immigrant aliens temporarily hunting or attending legal sporting activities in the U.S., and U.S. citizens re-establishing residency after living abroad. Through industry outreach and regulation, ATF provides technical advice to the public regarding import requirements applicable to firearms, ammunition, and implements of war.

## b. Firearms Tracing

ATF's National Tracing Center (NTC) traces firearms recovered in crime by law enforcement in order to provide investigative leads to link a suspect to a firearm in a criminal investigation; to identify firearms traffickers, and where sufficient comprehensive tracing has been undertaken by a given community, to identify trends in patterns in illegal firearms trafficking. In FY 2013, the NTC processed nearly 341,000 firearms trace requests and the number of trace requests has increased significantly over time. The NTC operates a series of programs that relate to and support firearms tracing to include the eTrace program, Multiple Sales for Handguns program, FFL Theft program, Interstate Theft Program, Out of Business records program and Demand program among others.



The trace information allows ATF to: provide the requesting federal, state, and local law enforcement agencies the link of suspects to firearms in criminal investigations for; identify illegal firearms traffickers through recurring patterns and trends indicative of illegal firearms trafficking; and provide ATF a means, through analysis of the aggregate trace data, to help communities develop focused strategies and programs that address specific factors that contribute to armed crime. Without trace information, in a useable

format, violent crimes go unsolved and, more importantly, illegal firearms trafficking trends are not identified and investigated.

**c. National Integrated Ballistics Information Network (NIBIN)**

ATF's NIBIN Program uses an integrated investigative approach that works in concert with other federal, state, tribal, and local law enforcement agencies in combating firearms-related violence. The program uses technology to compare images of ballistic evidence obtained from crime scenes and recovered firearms.

The NIBIN system is a collection of automated ballistic images of spent ammunition recovered from crime scenes and from crime gun test fires. As with fingerprints, every firearm has unique identifying characteristics. The barrel of a weapon leaves distinct markings on a bullet or projectile, and the breech and firing pin mechanisms also leave distinct markings on the cartridge case. Using these markings, firearm examiners are able to examine bullets and cartridge casings to determine if they were expelled from the same firearm.

NIBIN is a proven investigative and intelligence tool that can identify leads that were not previously available; can link firearms evidence from multiple crime scenes together that were committed with the same firearm; and can link firearms evidence from a crime scene to a recovered firearm. ATF's NIBIN network may be searched locally, regionally, nationally, and internationally in an automated environment to identify investigative leads.

Through the NIBIN Program, ATF deploys Integrated Ballistic Identification System (IBIS) equipment to federal, state and local law enforcement agencies for their use in imaging and comparing crime gun evidence. NIBIN is the only interstate automated ballistic imaging network in operation in the United States and is available to every major population center in the United States to aid in violent crime analysis. The NIBIN Program automates the ability to evaluate ballistics providing investigative leads to investigators in a timely manner. Prior to the NIBIN Program, this process was done manually and is extremely labor intensive. ATF has worked to place the program in strategic locations across the country with the goal of giving investigators at every level of government an edge in the mutual fight against firearms related violence. Additionally, this program works to identify shooters that are plaguing communities and threatening the well-being of the American public. The mission of ATF's NIBIN Program is to reduce firearms violence through aggressive targeting, investigation, and prosecution of shooters and their sources of crime guns.

Recent funding support for the NIBIN program has supported the replacement of outdated equipment and software upgrades that will enable firearms examiners to more easily discern distinct markings on the cartridge casings and link evidence for separate cases. There is also a focus to support work with state and local law enforcement agencies and laboratories to collect ballistic hit information and to provide timely

intelligence to the field in order to investigate and increase the number of prosecutions as a result of NIBIN. ATF is utilizing NIBIN along with other investigative tools and assets as part of an overall crime gun intelligence solution to more precisely identify and target criminal shooters and their source of crime guns.

**d. National Center for Explosives Training and Research (NCETR)**

Preventing the criminal use of explosives is one of the core missions of the ATF, and NCETR serves as the Bureau's primary source for explosives research, training, and intelligence. NCETR provides basic and advanced explosives training and research that leverages lessons learned and best practices to safeguard the public and reduce deaths and injuries from explosives crimes and accidents and aligns this support with the counter-IED effort. ATF equips its explosive personnel at the NCETR with the tools to respond to criminal activity with layers of specialized personnel training, techniques, technology, and forensic support.

NCETR also has oversight of ATF's National Canine Training & Operations Center (NCTOC) located in Front Royal, Virginia. The Canine Program is the only canine program in the United States supported by a laboratory and has the only federally accredited explosive detection canine program. The ATF National Forensic Laboratory supports the ATF Canine Program in the research and development of explosive and accelerant compounds and compositions for canine training, third party testing and certification on the mandated odors, instruction into the properties and chemical breakdown of accelerant and explosives and support in all forensic related issues.

The ATF Canine Program conducts evaluation and analysis of all new and emerging facets within the explosives detection canine arena. In turn, the Canine Program shares this vital information with other handlers and programs in the related fields in a concerted effort to provide the best tools possible for safety and security in the fight against violent crime and terrorism. The ATF Canine Program works in concert with and is supported by, the ATF Explosives Technology Branch, the ATF NCETR, and the USBDC. ATF remains at the forefront of combating violent crime through such innovative programs as training other federal, state, local, and international law enforcement explosives detection canines in peroxide explosives and standardized national odor recognition testing.

**e. United States Bomb Data Center (USBDC)**

ATF has been collecting, storing, and analyzing data on explosives and arson incidents since 1976. ATF was mandated by Congress pursuant to Public Law 104-208, the 1997 Omnibus Consolidated Appropriations Act, to establish a national repository for incidents involving arson and the criminal misuse of explosives.

The USBDC collects, analyzes, and disseminates timely information and relevant tactical and statistical intelligence to ATF law enforcement entities, as well as to Federal, state, local, Tribal, military, and international partners. The USBDC provides statistical analyses of current trends and patterns to help prevent criminal misuse of explosives.

The USBDC is the sole national repository for incident data in connection with suspicious fires/arsons and the criminal use explosives incidents. The USBDC's Bomb Arson Tracking System (BATS) is the explosives and arson investigator's link to the USBDC.

In BATS, investigators capture details of bomb and arson cases, including the area of origin or device placement, casualties, financial loss, fire descriptors, collateral crimes, device components, and descriptions of how the device was delivered. BATS also functions as a case management system, allowing investigators to build cases in the BATS application while maintaining critical operational security. Images of arson scenes, IEDs, and crime scenes can be shared through the BATS secure web connection.

The USBDC provides explosives tracing services to authorized law enforcement agencies in the U.S. and other countries. Tracing is the systematic tracking of explosives from manufacturer to purchaser (or possessor) to aid law enforcement officials in identifying suspects involved in criminal violations, establishing stolen status, and proving ownership. Explosives manufacturers, importers, wholesalers, and retail dealers in the U.S. and other countries cooperate by providing, on request, specific information from their records of manufacture, importation, or sale. Because of its licensing authority, ATF is the only Federal agency authorized regular access to these records.

**f. Terrorist Explosives Device Analytical Center (TEDAC)**

TEDAC is a government center of operations conducting forensic and technical exploitation of Improvised Explosive Devices (IEDs) and related material. It provides actionable intelligence, supports criminal prosecution, and enhances force protection. Jointly, ATF and the FBI coordinate and manage TEDAC. Its mission is to directly contribute to the eradication of the IED threat.

TEDAC informs its partners who, in turn, attempt to disrupt those individuals and networks responsible for the design, development, purchase, assembly, and deployment of IEDs. This is accomplished through scientific and forensic exploitation of IEDs; creation of actionable intelligence; forecast of IED threats; and maintenance of a repository of IED material obtained from incidents around the world. The TEDAC combines law enforcement, military, and intelligence assets to classify the operation, bomb components, and deployment of IEDs. These efforts help prevent IED attacks, protect U.S. armed forces, and identify those who manufacture and deploy these devices.

TEDAC's forensic exploitation at the intersection of law enforcement, intelligence, and the military, provides a key perspective from which to research the science and technology of IEDs. The TEDAC research and testing program supports IED detection, countermeasures and post-blast analysis. The TEDAC continues to build depth and breadth within its device collection and develop technical, forensic, and intelligence methods to proactively anticipate new devices and techniques envisioned by our adversaries and to better collaborate with its partners.

#### **g. ATF Laboratories**

The ATF laboratory system is comprised of three regional forensic laboratories and a fire research laboratory that provide direct support to ATF special agents and other federal and state law enforcement agencies in the investigation of violent crimes and other potential threats to public safety. ATF examiners play an integral role supporting violent crime investigations, often times providing the critical link between the crime and the suspect. All of the ATF laboratories are accredited by the American Society of Crime Laboratory Directors – Laboratory Accreditation Board (ASCLD-LAB) - International, an ISO 17025 standard.

The Forensic Science Laboratories (FSL) supports criminal investigations through the scientific analysis of evidence. The FSL's evaluate evidence obtained in criminal investigations involving tobacco, firearms, explosives and suspected arson.

The Fire Research Lab (FRL) houses fire protection engineers, mechanical engineers, electrical engineers and technicians, and is the only laboratory of its kind in the world. It provides the necessary facilities, equipment, and staff to work on important criminal fire investigation issues such as fire scene reconstructions, flashover studies, validation of fire pattern analysis indicators, impact of accelerants on fire growth and spread, ignition studies and electrical fire cause analysis. Without the FRL, there would be no fire measurement facilities of its kind in the United States, or elsewhere, dedicated to the specific needs of the criminal fire investigation community.

#### **h. Financial Investigations**

ATF's forensic auditors are experts in the field of forensic accounting and financial investigations. They conduct comprehensive financial investigations for special agents in support of criminal investigations. This includes, but is not limited to, arson-for-profit, alcohol and tobacco diversion, firearms and narcotics trafficking cases, the use of explosives and bombings in the furtherance of financial frauds, counter-terrorism, threats to public safety, as well as investigations into gang and other organized criminal enterprises, and complex investigations involving both domestic and international money laundering.

#### **i. Collaboration and Partnerships**

ATF is engaged in many cooperative agreements, collaborations and partnerships with other federal agencies, private industry, and in the international arena. For example, ATF is fully engaged with and provides support to Federal Government anti-terrorism efforts, especially the FBI-led Joint Terrorism Task Forces (JTTFs). ATF participates in all 106 JTTFs, and assigns one ATF special agent to the National JTTF at the National Counter-Terrorism Center. Through this collaborative partnering ATF plays an important role in terrorism cases that involve firearms smuggling, bombs, illegal explosive possession, and tobacco diversion.

ATF also participates in other multi-agency efforts such as High Intensity Drug Trafficking Area (HIDTA), High Intensity Financial Crime Areas (HIFCA), and the Organized Crime Drug Enforcement Task Force (OCDETF).

Through these partnerships, ATF plays a major role in the prevention and investigation of violent firearms crimes involving gangs and organized criminal enterprises, and provides direct investigative expertise to criminal explosives, arson incidents and threats. These collaborative efforts also allow ATF to be a key component in combating organized crime that threatens U.S. national and economic security.

**International Policy.** At the request of the DOS, ATF serves as an advocate for the firearms policies of the U.S. in international forums such as the United Nations and the Organization of American States. ATF ensures that the international firearms agreements, in which the U.S. participates, are consistent with U.S. laws, regulations, policies, and practices. The United Nations Program of Action, the Organization of American States Convention on Firearms, and the International Tracing Instrument are just a few of the agreements through which ATF protects the policies of the U.S. in international settings.

#### **j. Emergency Support Function (ESF) #13**

In October 2008, ATF was officially identified to lead the DOJ efforts to manage ESF #13, one of the 15 emergency support functions established by the National Response Framework (NRF). ESF #13 integrates federal public safety and security capabilities and resources to support the full range of incident management activities associated with potential or actual incidents requiring a coordinated federal response. When activated, ESF #13 coordinates the implementation of federal authorities (to include mission assignments) and resources that are appropriate for the situation and may provide protection and security resources, planning assistance, technology support, and other technical assistance to support incident operations, consistent with Federal agency authorities and resource availability.

ATF is responsible for the following functions: providing special agents, special agent certified explosive specialists, special agent certified fire investigators, special agent explosives detection and accelerant and detection canine handler teams, medics, crisis negotiators, intelligence officers, explosives enforcement officers, IOIs, fire research engineers, forensic chemists, forensic auditors, and support personnel in many specialty areas. Other specialized capabilities include Special Response Teams that conduct high-risk enforcement operations; National Response Teams (NRTs) that assist federal state, tribal and local investigators at the scene of significant explosives and fire incidents; a fleet of NRT trucks that allow the NRT to be fully equipped or the forensic examination of explosives and fire scenes; and Mobile Laboratories and Command & Control vehicles. ATF will deploy the necessary and available resources to provide the appropriate response to an ESF #13 activation.

2. Performance Tables – <sup>1, 2</sup>

PERFORMANCE AND RESOURCES TABLE											
Decision Unit: Law Enforcement Operations											
DOJ Strategic Goal/Objective: <u>DOJ Strategic Goal 1:</u> Prevent Terrorism and Promote the Nation's Security Consistent with the Rule of Law. <u>Strategic Objective 1.1:</u> Prevent, disrupt, and defeat terrorist operations before they occur by integrating intelligence and law enforcement efforts to achieve a coordinated response to terrorist threats. <u>DOJ Strategic Goal 2:</u> Prevent Crime, Protect the Rights of the American People, and Enforce Federal Law. <u>Strategic Objective 2.1:</u> Combat the threat, incidence, and prevalence of violent crime by leveraging strategic partnerships to investigate, arrest, and prosecute violent offenders and illegal firearms traffickers.											
WORKLOAD/RESOURCES		Target		Actual		Projected		Changes		Requested (Total)	
		FY 2014		FY 2014		FY 2015		Current Services Adjustments and FY 2016 Program		FY 2016 Request	
Total Costs and FTE		FTE	\$,000	FTE	\$,000	FTE	\$,000	FTE	\$,000	FTE	\$,000
Law Enforcement Operations Strategic Goal 1.1		1,635	407,792	1,576	398,432	1,647	405,409	75	20,306	1,722	425,715
Law Enforcement Operations Strategic Goal 2.1		2,453	611,689	2,365	597,647	2,471	608,114	112	30,461	2,583	638,575
Total Costs		4,088	1,019,481	3,941	996,079	4,118	1,013,523	187	50,767	4,305	1,064,290
Program Activity	Illegal Firearms Trafficking	622	158,359	513	131,648	522	134,105	24	6,717	546	140,822
Program Activity	Firearms Criminal Use and Possession	1,357	280,030	1,649	426,298	1,680	434,253	76	21,752	1,756	456,005
Program Activity	Diversion of Firearms from Legal Commerce	602	83,245	709	139,631	722	142,236	33	7,125	755	149,361
Program Activity	Criminal Groups and Gangs	427	88,883	290	72,518	296	73,871	13	3,700	309	77,571
Program Activity	Criminal Use of Explosives	232	44,265	192	45,083	195	45,924	9	2,300	204	48,225
Program Activity	Diversion of Explosives from Legal Commerce	255	33,812	266	51,297	271	52,254	12	2,617	283	54,872
Program Activity	Criminal Use of Fire	217	47,144	188	45,514	191	46,363	9	2,322	200	48,686



PERFORMANCE AND RESOURCES TABLE											
Decision Unit: Investigative Support Services											
DOJ Strategic Goal/Objective:											
DOJ Strategic Goal 1: Prevent Terrorism and Promote the Nation's Security Consistent with the Rule of Law.											
Strategic Objective 1.1: Prevent, disrupt, and defeat terrorist operations before they occur by integrating intelligence and law enforcement efforts to achieve a coordinated response to terrorist threats.											
DOJ Strategic Goal 2: Prevent Crime, Protect the Rights of the American People, and Enforce Federal Law.											
Strategic Objective 2.1: Combat the threat, incidence, and prevalence of violent crime by leveraging strategic partnerships to investigate, arrest, and prosecute violent offenders and illegal firearms traffickers.											
WORKLOAD/RESOURCES		Target		Actual		Projected		Changes		Requested (Total)	
		FY 2014		FY 2014		FY 2015		Current Services Adjustments and FY 2016 Program		FY 2016 Request	
Total Costs and FTE		FTE	\$,000	FTE	\$,000	FTE	\$,000	FTE	\$,000	FTE	\$,000
Investigative Support Svcs Strategic Goal 1.1		256	63,808	291	73,700	305	74,990	16	3,756	321	78,746
Investigative Support Svcs Strategic Goal 2.1		384	95,711	436	110,549	457	112,486	23	5,635	480	118,121
Total Costs		640	159,519	727	184,249	762	187,476	39	9,391	801	196,867
Program Activity	Firearms and Explosives Licensing and Other Industry Services	88	15,333	112	24,672	114	25,133	5	3,135	119	28,268
Program Activity	Firearms Tracing	58	33,121	64	38,604	65	39,324	0	5,000	66	44,324
Program Activity	National Integrated Ballistics Information Network (NIBIN)	26	21,421	28	28,546	29	29,079	0	195	29	29,274
Program Activity	National Center for Explosives Training and Research (NCETR)(incl Canine)	70	18,095	103	35,616	105	36,281	1	243	106	36,524
Program Activity	United States Bomb Data Center	9	1,592	11	2,415	11	2,460	0	16	11	2,476
Program Activity	Terrorist Explosives Device Analytical Center (TEDAC)	10	1,648	10	2,248	10	2,290	0	15	10	2,305
Program Activity	ATF Laboratories	17	4,364	93	28,018	95	28,541	1	191	95	28,732
Program Activity	Financial Investigative Services	19	3,263	54	12,416	55	12,647	0	85	56	12,732
Program Activity	ESF #13	11	5,391	13	4,653	13	4,740	0	32	13	4,771

PERFORMANCE AND RESOURCES TABLE						
Decision Unit: Law Enforcement Operations/Investigative Support Services						
DOJ Strategic Goal/Objective: Goal 1, Objective 1.1; Goal 2, Objective 2.1						
WORKLOAD/RESOURCES		Target	Actual	Projected	Changes	Requested (Total)
		FY 2014	FY 2014	FY 2015	Current Services	FY 2016 Request
OUTCOME Measure	Reduce the risk to public safety caused by illegal firearms trafficking	90	84.6	106	0	106
OUTCOME Measure	Reduce the risk to public safety caused by criminal possession and use of firearms	80	58.7	92	0	92
OUTCOME Measure	Reduce the risk to public safety caused by criminal organizations and gangs	85	78.2	96	0	96
OUTCOME Measure	Reduce the risk to public safety caused by bomb and explosives	74	81.8	86	0	86
OUTCOME Measure	Reduce the risk to public safety caused by criminal use of fire	79	86.8	90	0	90
OUTCOME Measure	Improve public safety by increasing compliance with Federal laws and regulations by firearms industry members	95	95.4	87	0	87
OUTCOME Measure	Improve public safety by increasing compliance with Federal laws and regulations by explosives industry members	92	89.3	95	0	95

<sup>1</sup> Note: Both of the decision units (Law Enforcement Operations and Investigate Support Services) work interdependently to demonstrate ATF's actual performance.

<sup>2</sup> Note: The sum of the program activity resources and FTE will not add up to the total for each decision unit, because it is not inclusive of all program activities. Only major activities are listed on these tables.

PERFORMANCE AND RESOURCES TABLE							
Decision Unit: Law Enforcement Operations/Investigative Support Services							
Performance Report and Performance Plan Targets		2012	2013	2014		2015	2016
		Actual	Actual	Target	Actual	Target	Target
OUTCOME Measure	Reduce the risk to public safety caused by illegal firearms trafficking	98.6	74.5	90	84.6	106	106
OUTCOME Measure	Reduce the risk to public safety caused by criminal possession and use of firearms	97.5	81.8	80	58.7	92	92
OUTCOME Measure	Reduce the risk to public safety caused by criminal organizations and gangs	93.2	74.3	85	78.2	96	96
OUTCOME Measure	Reduce the risk to public safety caused by bomb and explosives	88.9	83.3	74	81.8	86	86
OUTCOME Measure	Reduce the risk to public safety caused by criminal use of fire	73.5	89.5	79	86.8	90	90
OUTCOME Measure	Improve public safety by increasing compliance with Federal laws and regulations by firearms industry members	104.4	102.5	95	95.4	87	87
OUTCOME Measure	Improve public safety by increasing compliance with Federal laws and regulations by explosives industry members	105.7	88.2	92	89.3	95	95

## C. Performance, Resources, and Strategies

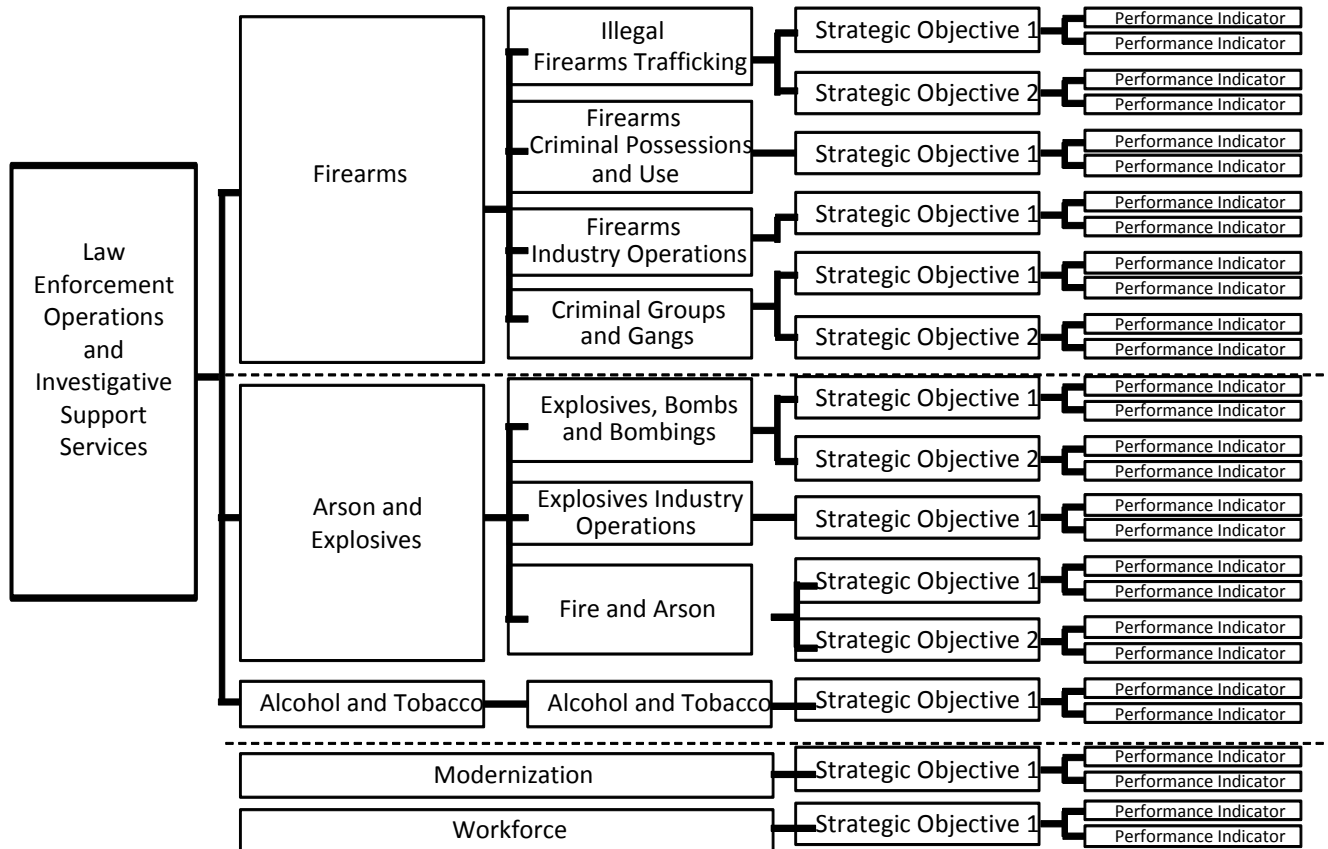
### 1. Performance Plan and Report for Outcomes

ATF's performance measures support both the Law Enforcement Operations and the Investigative Support Services decision units. ATF has developed a Performance Measurement Index tool that helps facilitate informed decision making regarding the Agency's priorities, activities, and resources. The Index compiles multiple performance indicators into a single number to measure performance at both the Bureau-wide and program levels. This is accomplished by aligning ATF's budget decision units with the Bureau's performance goal statements, strategic objectives and performance indicators for a comprehensive tracking and measurement of performance across the enterprise.

ATF's Performance Index measures ATF's 10 core functions as well as the strategic goals and strategic objectives. ATF's outcome-based performance goal statements are:

<b>Core Function</b>	<b>Performance Goal Statement</b>
<b>Illegal Firearms Trafficking</b>	Reduce the risk to public safety caused by illegal firearms trafficking
<b>Firearms Criminal Possession and Use</b>	Reduce the risk to public safety caused by criminal possession and use of firearms
<b>Firearms Industry Operations</b>	Improve public safety by increasing compliance with Federal laws and regulations by firearms industry members
<b>Criminal Groups and Gangs</b>	Reduce the risk to public safety caused by criminal organizations and gangs
<b>Explosives, Bombs, and Bombings</b>	Reduce the risk to public safety caused by bombs and explosives
<b>Explosives Industry Operations</b>	Improve public safety by increasing compliance with Federal laws and regulations by explosives industry members
<b>Fire and Arson</b>	Reduce the risk to public safety caused by the criminal use of fire
<b>Alcohol and Tobacco</b>	Reduce the risk to public safety and reduce the loss of tax revenues caused by contraband alcohol and tobacco trafficking
<b>Modernization</b>	Modernize business processes and systems for improved mission effectiveness and transparency
<b>Workforce</b>	Attract, develop, and retain an expert workforce to execute the ATF mission

In the Index, each performance goal statement aligns with specified strategic objectives and their corresponding performance indicators. This structure allows ATF to evaluate performance and to use performance indicators to track progress against targets.



Applying an index to gauge performance is a widely accepted practice for compiling multiple performance indicators into a single number. As used at ATF, the Index number moves up or down and portrays the progress made against pre-established performance goal statements.

## 2. Strategies to Accomplish Outcomes

ATF's strategies to investigate and prevent violent crime are so field-level strategies are intelligence-driven and align with the priorities articulated in ATF's Strategic Plan. ATF develops customized strategies within each of its 25 field divisions based on assessments of the most significant violent crime threats within their areas of responsibility. The assessments factor in emerging crime trends, significant criminal activity, issues faced by local industry members, the proximity and priorities of federal, state, local and other external partners, available ATF resources, as well as, unique data and intelligence developed by ATF, and other intelligence and crime-related data available through

federal, state and local partners. All of this information is used to plan the best use of resources at the local and national level for the greatest impact. These efforts are intelligence-driven and risk-based to ensure that resources are applied effectively so that they have the greatest ability to reduce violent crime and safeguard the public.

Once priorities are established, Frontline requires supervisory personnel to evaluate each inspection and investigation, prior to its initiation, to determine that the specific activity is consistent with the field division's priorities. Throughout the course of investigations and inspections, field supervisors monitor progress and performance to ensure resources continue to be applied appropriately and effectively.

## **V. Program Increases by Item**

<b>Item Name:</b>	<b>Address Deficiencies in Investigative Support Services</b>
Type of Change:	Increase
Budget Decision Unit(s):	Investigative Support Services
Organizational Program:	Illegal Firearms Trafficking
Strategic Goal:	Strategic Goal 2: Prevent Crime, Enforce Federal Laws, and Represent the Rights and Interests of the American People, Objectives 2.1 and 2.2

Component Ranking of Program Increase: 1 of 1

Program Change: Positions 10 Agt/Atty 0 FTE 5 Dollars \$8,135,000

### Description of Item

ATF requests \$8,135,000 for additional advancements in capacity, efficiency and production of firearms tracing, all aspects of National Firearms Act (NFA) application processing, and services through enhancements to the ATF Center in Martinsburg, WV. These enhancements will support the continued expansion of the use of gun trace data by state and local law enforcement that causes ever increasing demands on ATF for faster crime gun trace requests. It will also support continuing efforts to maintain performance in processing firearms and explosives licensing applications within the 60 day and 90 day timeframe as mandated under current regulations. An additional 10 additional Legal Instrument Examiners are included in this enhancement to continue to reduce processing delays and backlog, and especially to improve performance for processing NFA applications. The requested resources support the Administration's priorities as outlined in the January 16, 2013 Presidential Memorandum: "Tracing of Firearms in Connection with Criminal Investigations," as well as the Attorney General's memorandum of February 25, 2013 on the same subject.

### Support of the Department's Strategic Goals

ATF Strategic Goal 1 supports the Department of Justice Strategic Goal 2 – Prevent Crime, Protect the Rights of the American People, and Enforce Federal Law.

### Justification

ATF's investigative support services provided by its Martinsburg, WV center is responsible for preventing terrorism, reducing violent crime, and protecting the public. This is accomplished by successfully tracing recovered firearms and by administering the statutory requirements for licensing, permitting, and tax and fee collection codified in the Gun Control Act (GCA),

National Firearms Act (NFA), Safe Explosives Act (SEA), and Arms Export Control Act (AECA). This facility receives and responds to hundreds of daily contacts from external customers in the form of phone calls, mail and e-mail inquiries. The services provided by ATF at this facility are vital to the commerce and livelihood of international defense contractors and suppliers of federal, state, and local law enforcement agencies. ATF also serves private citizens by issuing licenses to collect curio and relic firearms, registering possession and transfer of collectible NFA weapons, authorizing members of the U.S. military to lawfully return from active duty overseas with firearms acquired outside of the U.S. In addition, the facility assists returning U.S. citizens and new U.S. residents through the process for lawfully bringing personal firearms into the country.

Each year, the NTC traces hundreds of thousands of recovered crime guns for law enforcement. The NTC is the only repository of crime gun trace data, multiple handgun sales information, demand letter information, FFL theft information, interstate theft information, suspect gun information, and firearms transaction records from out-of-business FFLs. The trace information allows ATF to link suspects to firearms in criminal investigations for federal, state, and local law enforcement agencies making the trace requests; to identify illegal firearms traffickers through recurring patterns and trends indicative of illegal firearms trafficking; and provides ATF a means through analysis of the aggregate trace data to help communities develop focused strategies and programs that address specific factors that contribute to armed crime. By using the critical intelligence from tracing data along with other available ATF assets, connections and linkages can be made to prevent violent crime such as mass shootings at shopping malls, government buildings, schools and universities.

ATF's regulatory and support functions have seen dramatic and unprecedented increases due to the expansion and growth of commerce within the firearms industry and is challenged to keep pace with a firearms industry that is growing at an unparalleled rate. This growth is evidenced by significant workload increases experienced by the NFA Branch and the Licensing Centers in large part due to changes in many state laws that are impacted by the NFA mandates. Between FY 2008 – 2014, the number of NFA applications ATF received increased from approximately 78,500 to over 200,000. ATF has internal NFA application processing timeliness goals, but are unable to meet performance targets due to the shear workload and lack of resources. In addition to the overall volume of applications there is also an increase in the single NFA applications that involve multiple firearms, and each request is thoroughly researched against federal and state laws prior to approval. Backlogs continue to mount without additional resources to address capacity for this function.

The number of firearms and explosives license applications also continues to increase substantially, and results in the shifting of existing resources and time commitments towards the timely processing these applications. Expansion of that facility is critically needed to address ever increasing demands for firearms and explosives application/licensing services. Expanding capacity to process applications is critically needed to address ever increasing demands for firearms and explosives application/licensing services, and to improve performance relative to facilitating legal firearms commerce in the U.S.



The 10 additional federal staff and the increase in contractual support are included in this enhancement to continue to reduce processing delays and backlog in the area of firearms and explosives licensing services, especially for NFA applications. It will also provide enhanced tracing capabilities with additional capacity and even shorter average trace times.

#### Impact on Performance

This request for additional human capital and monetary resources will provide a solid foundation for the continued and sustainable goal of providing shorter processing times and improve performance for various licensing functions, including imports and NFA applications, in an environment where the demands for these crucial services continues to grow. These enhancements will close gaps that currently exist in the areas of crime gun tracing, firearms and explosives services, and licensing activities. The addition of these human resources will decrease processing time for all licensing activities thus enhancing legal firearms commerce, and will increase the timeliness of crime gun traces to speed the removal of violent criminals from our communities.

## Funding

### Base Funding

FY 2014 Enacted				FY 2015 Enacted				FY 2016 Current Services			
Pos	agt/ atty	FTE	\$(000)	Pos	agt/ atty	FTE	\$(000)	Pos	agt/ atty	FTE	\$(000)
690	410	640	159,519	796	410	762	187,476	796	410	796	188,732

### Personnel Increase/Reduction Cost Summary

Type of Position	Modular Cost per Position (\$000)	Number of Positions Requested	FY 2016 Request (\$000)	FY 2017 Net Annualization (change from 2014) (\$000)
Technical, Professional, Administrative	64	10	635	
Total Personnel		10	635	

### Non-Personnel Increase/Reduction Cost Summary

Non-Personnel Item	Unit	Quantity	FY 2016 Request (\$000)	FY 2017 Net Annualization (change from 2016) (\$000)
NFA Backlog			2,500	
Tracing Center Enhancements			5,000	
Total Non- Personnel			7,500	

### Total Request for this Item

	Pos	Agt/Atty	FTE	Personnel (\$000)	Non- Personnel (\$000)	Total (\$000)
Current Services	796	410	796	124,563	64,169	188,732
Increases	10	0	5	635	7,500	8,135
Grand Total	806	410	801	125,198	71,669	196,867